

Governor's 2008 Supplemental Budget
All Funds by Omnibus Bill and Agency
(\$ in Thousands)

	FY 2008	FY 2009	FY 2010	FY 2011
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K-12 Education

Education Dept

Math and Science Teacher Training

General	Expenditures	0	2,700	2,700	2,700
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This is a two tier math and science teacher training program. The first tier, the Math and Science Institute, provides intensive math and science content training for 500 existing math and science teachers annually through a five day summer institute. The second tier, the Math and Science Academies, is a "train the trainers" program for math and science teachers to bring new instructional content and strategies back to their districts and classrooms. This portion of the program was partially funded in the 2007 session. This recommendation establishes the first tier of the program and increases the funding available for the second tier of the program.

Minnesota Virtual Education Program

General	Expenditures	0	1,000	1,000	1,000
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This recommendation is for development of an online teaching tool and student courses to be maintained by the Minnesota Department of Education and used by teachers and public school students statewide. This tool would be a resource for teachers and districts to access model curriculum on an optional basis. Additionally, students would be able to access this resource for additional study materials or to take courses online.

Principals' Leadership Institute

General	Expenditures	0	400	400	400
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This request would provide funding for the Principals' Leadership Institute (M.S. 122A.74), which was not funded in the 2007 K-12 education bill. Funding would provide executive level professional development opportunities and leadership training for cohorts of principals each year.

Minnesota Teach

General	Expenditures	0	250	1,750	1,750
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This proposal provides an alternative pathway to teacher certification for mid-career professionals and professionals starting their careers. The program would select applicants in the teacher license shortage areas of math, science, special education, world languages, and ELL. Districts would be required to participate in the selection process and must have a shortage of qualified teachers in one of the target areas to hire a Minnesota Teach applicant. The funding would allow the participants to receive rigorous teacher training, on-the-job mentoring, and ongoing evaluations throughout the year leading to a teaching license and up to 15 graduate credits toward a master's degree in education.

U Teach Program

General	Expenditures	0	250	250	250
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This request establishes a U Teach Program at the University of Minnesota and/or MnSCU institution. The program would recruit students in university math and science departments who have demonstrated an interest in teaching to take up to six education courses at no cost to the student.

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<u>K-12 Education</u>					
Education Dept					
ISD #239 Declining Pupil Aid					
General	Expenditures	0	158	158	0
<p>This proposal provides declining pupil aid and transportation aid to Rushford-Peterson for FY 2009 and FY 2010 due to the impact of the 2007 floods in southeastern Minnesota. The cost of this aid is being offset by redirecting unused flood relief grants from the 2007 special session. Some of these funds appropriated to specific school districts were not needed and under the special session flood bill, may be reallocated to other school districts in need of additional aid.</p>					
ISD #239 Declining Pupil Offset					
General	Expenditures	0	(158)	(158)	0
<p>This proposal would redirect flood relief grant appropriations made to school districts during the 2007 special session to capture unused funds that are unneeded and would otherwise cancel. The unused funds will be redirected to the Rushford-Peterson school district to offset proposed declining pupil enrollment aid related to the floods.</p>					
Utility Transition Aid					
General	Expenditures	0	0	365	600
<p>The Department of Revenue adopted rule changes relating to utility property that would result in lower property values, leading to lower property tax payments from utility properties. This aid would provide relief to local governments where the rule changes would result in a reduction in tax capacity that is greater than 5 percent. Districts would experience an aid change due to an ANTC adjustment one-year earlier than current law that would impact the general fund in 2010 and 2011.</p>					
K-12 Reciprocity with Neighboring States					
General	Expenditures	0	0	56	62
<p>This proposal establishes procedures for uniform tuition billing by MDE for Minnesota students attending school in a bordering state, or students attending Minnesota schools from a bordering state.</p>					
Operating Budget Reduction					
General	Expenditures	0	(892)	(892)	(892)
<p>This proposal reduces the Minnesota Department of Education operating budget by 4 percent.</p>					
Reverse SOD Aid Payment Shift					
General	Expenditures	0	(6,100)	0	0
<p>This proposal would reverse an aid payment shift related to Statutory Operating Debt (SOD) districts to bring them into alignment with other school districts and charter schools. In order to mitigate the impact of past aid payment shifts, SOD districts were allowed to receive an additional 7 percent of total general education aid in the current year. When the aid payment shift was bought back, this advance payment shift was not reversed. As a result, these districts receive aid on a 97 percent / 3 percent basis while other districts receive aid on a 90 percent / 10 percent basis.</p>					
Elimination of Cap on CLEP Exams					
General	Expenditures	0	0	0	0
<p>This proposal removes the six test limit on the number of College Level Examination Program (CLEP) exams for which a student may be reimbursed.</p>					

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K-12 Education

Education Dept

Increase in GED Reimbursement Rate

General	Expenditures	0	0	0	0
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This proposal increases the reimbursement rate for GED exams to \$40. The current reimbursement rate is \$20. The appropriation for GED reimbursement has not been fully utilized in the past and funds have cancelled. This change would allow for full utilization of the funding appropriated for this purpose.

AP/IB Carryforward Language

General	Expenditures	0	0	0	0
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This proposal adds carryforward language to the AP/IB appropriation so any unspent dollars from FY 2008 may carry forward to FY 2009. This language has typically been included in omnibus K-12 education bills, so this is a technical correction.

MSA Management Aids Billing

General	Expenditures	0	0	0	0
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This recommendation allows MDE to bill for one to one management aides assigned to students at the Minnesota State Academies by making the cost of those aides eligible for special education funding. This proposal also allows the Academies to collect payment from third party payers (public or private health insurers) for services provided at the Academies and otherwise covered by the child's health care plan.

Education Dept Total Net Change:	General	0	(2,392)	5,629	5,870
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Higher Education

Office of Higher Education

Operating Budget Reduction

General	Expenditures	0	(111)	(111)	(111)
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This proposal will reduce OHE's appropriation for administrative expenses by 4 percent per year.

Office of Higher Education Total Net Change:	General	0	(111)	(111)	(111)
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State Colleges & Universities

Operating Budget Reduction

General	Expenditures	0	(26,600)	(26,600)	(26,600)
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This proposal reduces MnSCU's general fund appropriation by 3.85 percent per year. MnSCU should reduce administrative costs and reallocate funds to protect its priorities before resorting to increases in tuition.

State Colleges & Universities Total Net Change:	General	0	(26,600)	(26,600)	(26,600)
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University of Minnesota

Taconite Miners' Health Studies

General	Expenditures	0	2,100	0	0
Iron Range Resources and Rehab	Expenditures	0	2,100	0	0

This proposal provides funding for the University of Minnesota to conduct studies examining the high incidence of mesothelioma cases among Iron Range taconite workers. Funding is provided for a case control investigation of mesothelioma among former iron miners, a respiratory health study of taconite miners and spouses, and a Minnesota iron mining mortality study.

Operating Budget Reduction

General	Expenditures	0	(27,200)	(27,200)	(27,200)
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This proposal reduces the University of Minnesota's general fund appropriation by 3.85 percent per year. The U of M should reduce administrative costs and reallocate funds to protect its priorities before resorting to increases in tuition.

University of Minnesota Total Net Change:	General	0	(25,100)	(27,200)	(27,200)
University of Minnesota Total Net Change:	Other	0	2,100	0	0

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Tax Policy, Aids and Credits

Revenue Dept - Other

Foreign Operating Corporations (FOC)

General	Revenues	0	102,200	80,500	83,600
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Under this proposal, a corporation's foreign operating corporation (FOC) status would no longer be determined by its property and payroll factors. Instead FOC status would be determined by whether at least 80 percent of a corporation's gross income is from an active foreign business, conforming to Internal Revenue Code definitions.

Foreign royalty income would also be classified as income from foreign sources. The percentage of income receiving the foreign royalty subtraction would increase from 80 to 90 percent.

Sales Tax Rate Reduction

County State Aid Highway	Revenues	0	0	0	(365)
Game and Fish	Revenues	0	(180)	(200)	(200)
General	Revenues	0	(76,940)	(87,650)	(90,720)
Greater Minnesota Transit	Revenues	0	0	0	(365)
Natural Resources	Revenues	0	(180)	(200)	(200)

This proposal reduces the statewide sales and use tax rate by 0.125 percent starting July 1, 2008. The reduction also applies to the lottery in-lieu sales tax rate.

Federal Conformity Measures

General	Revenues	(8,545)	845	7,440	(18,955)
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This proposal conforms Minnesota to certain provisions in the Heroes Earned Retirement Opportunities Act, the Pension Protection Act of 2006, the Tax Relief and Health Care Act of 2006, the Small Business and Work Opportunity Tax Act of 2007, the Clean Renewable Energy and Conservation Act of 2007, and the Mortgage Forgiveness Debt Relief Act of 2007. Items from these federal laws that would not be adopted include the higher education tuition deduction and the educator expense deduction.

Provisions from the Economic Stimulus Act of 2008 are also proposed to be adopted, with the requirement that 80 percent of the bonus depreciation be added to income in the first year. That amount would then be subtracted in equal parts over the succeeding five years.

Bank Data Matches

General	Revenues	0	10,000	10,000	10,000
General	Expenditures	0	360	360	360

This would require financial institutions to participate in a data-matching process with the Department of Revenue, matching the names of tax debtors to their accounts. If a match is found, the department could levy against the asset. An annual appropriation to Revenue is included to cover staffing costs to implement the proposal and fees that must be paid to participating financial institutions.

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Tax Policy, Aids and Credits

Revenue Dept - Other

June Accelerated Payments

General	Revenues	0	21,700	355	755
Health Impact	Revenues	0	1,400	(30)	(30)
Health Impact	Expenditures	0	1,400	(30)	(30)

Taxpayers liable for the general sales tax, the cigarette taxes and fees, the tobacco products tax and fee, and the taxes on alcoholic beverages that have a liability of \$120,000 or more during a fiscal year must pay 78 percent of their estimated June liability in June. This proposal increases that percentage to 85 percent.

Property Tax Refund Program Impact

General	Expenditures	0	0	(4,800)	(4,842)
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Some of the items included in the supplemental budget will affect the level of local property taxes. This will result in changes to the amount of property tax refund payments paid to individuals by the state. This item quantifies the changes in property tax refund program expenditures that will result from local levy limits and utility transition aid.

Independent Contractor Withholding

General	Revenues	0	1,000	2,000	2,000
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This initiative addresses the non-compliance problem of unreported income by independent contractors in the construction industry. It requires employers in the construction industry to withhold 2 percent of payments made to independent contractors if the amount paid is more than \$600 in a calendar year.

Surplus-Lines Insurance Stamping Office

General	Revenues	0	1,500	3,000	3,000
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This item allows for the creation of a surplus-lines insurance stamping office. This non-governmental agency would stamp all policies for surplus-lines insurance, i.e. specialty coverage that is not available through a Minnesota insurer. This includes insurance policies related to certain aviation and aircraft coverage (e.g. hot air balloons, gliders), certain liability coverage (e.g. auto racing, amusement park rides), and certain types of accident, automobile, fire, marine/transportation, and specialty insurance. The office would file reports on surplus-lines policies with the Department of Revenue, helping compliance efforts in this area. Fifteen states currently have stamping offices.

Utility Transition Aid

General	Expenditures	0	0	760	1,530
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The Department of Revenue recently adopted administrative rule changes relating to the valuation of utility property. These valuation adjustments will result in lower utility property values, leading to lower property tax payments from utility properties. This proposal would provide aid to local governments where the utility rule changes would result in a reduction in tax capacity of greater than 5 percent.

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Tax Policy, Aids and Credits

Revenue Dept - Other

Mutual Fund Income Apportionment

General	Revenues	0	(600)	(2,100)	(2,200)
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This is a tax provision affecting the apportionment of income earned by mutual fund service providers (MFSPs). The proposal would treat the individual investors in a mutual fund as the consumers of MFSP services. As a result, taxes paid by MFSPs hired by Minnesota-based mutual funds would be reduced. This change will follow the national trend to source the taxation of revenue to where the customer lives and prevent the double taxation of mutual fund management companies domiciled in Minnesota.

Adjustment to Renter's PTR

General	Expenditures	0	0	(33,830)	(34,250)
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This item reduces the percentage of rent deemed to be property taxes for purposes of computing the property tax refund for renters. The percentage would be decreased from 19 to 16 percent of annual rent paid. This proposal also changes the renter portion of the mobile home property tax refund to 16 percent. A 2005 study prepared by the Department of Revenue suggested that actual property tax as a percentage of rent is lower than the percentage currently used, and is likely below 15 percent.

Eliminate Political Contribution Refund

General	Expenditures	0	(5,400)	(5,700)	(6,800)
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This initiative eliminates the political contribution refund program. Under this program, political contributions made by Minnesotans to qualifying political candidates up to a total of \$50 per person, or \$100 per married couple, in any calendar year can be refunded to the contributor by the state.

Sales Tax on Bundled Transactions

General	Revenues	(25)	(65)	(68)	(70)
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Bundled transactions are transactions that include both taxable and nontaxable items. This proposal conforms to the Streamlined Sales Tax Project definition of bundled transactions.

Sales Tax on Fur Clothing

General	Revenues	0	20	0	0
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This item conforms to the Streamlined Sales Tax Project definition of fur clothing. It repeals the gross receipts tax on fur clothing and imposes the sales and use tax on fur clothing, keeping the same tax base and rate.

Revenue Dept - Other Total Net Change:	General	8,570	(64,700)	(56,687)	(31,412)
Revenue Dept - Other Total Net Change:	Other	0	360	400	1,130

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Health and Human Services

Chiropractors Board

Contested Cases Costs

State Government Special Rev	Expenditures	150	0	0	0
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This is a one-time appropriation from the state government special revenue fund to cover extraordinary legal costs related to contested cases.

Chiropractors Board Total Net Change:	Other	150	0	0	0
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Dentistry Board

Contested Cases Costs

State Government Special Rev	Expenditures	100	0	0	0
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This is a one-time appropriation from the state government special revenue fund to cover extraordinary legal costs related to contested cases.

Dentistry Board Total Net Change:	Other	100	0	0	0
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Health Dept

Eliminate Increase to FAS Grants

General	Expenditures	0	(500)	(500)	(500)
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This item would eliminate the increase to the Fetal Alcohol Syndrome Prevention Grant Program enacted in 2007, leaving a base funding amount of \$1.2 million per year. This program provides funding to a non-profit organization that conducts prevention and intervention activities.

Reduce Youth Tobacco Prevention Grants

General	Expenditures	0	(325)	(325)	(325)
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The Minnesota Youth Tobacco Prevention Initiative Grant Program provides \$2.5 million in grants to local communities to reduce youth tobacco use. This proposal would reduce funding for these grants by \$325,000 per year.

Eliminate HC Demonstration Project

General	Expenditures	0	(212)	(212)	(212)
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This would eliminate a new five-year demonstration created in the 2007 legislative session called the Community-Based Health Care Demonstration Project (CBHC). CBHC provides \$212,000 per year to a local foundation to coordinate a community-based health care coverage program in four counties.

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Health and Human Services

Health Dept

Eliminate Increase for Lead Abatement

General	Expenditures	0	(388)	(388)	(388)
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This proposal would repeal increased funding added in the 2007 session for a lead grant program. This grant goes to a private organization to provide lead assessment and cleanup services for qualified homeowners or tenants. Funding for the grant would return to the FY 2007 level of \$100,000 per year.

St. Louis County Inspection Delegation

State Government Special Rev	Revenues	0	468	468	468
State Government Special Rev	Expenditures	0	435	524	524

The Department would assume responsibility for conducting food, beverage, and lodging facility inspections in St. Louis County. This item accounts for the increase in license revenue and costs not accounted for in the program's base budget.

Swimming Pool Regulation Modifications

State Government Special Rev	Revenues	0	191	191	191
State Government Special Rev	Expenditures	0	198	198	198

This proposal would improve pool safety and water quality standards by requiring that all public swimming pools be licensed by the Department. 500-700 additional swimming pools would be subject to state regulation and inspection.

Operating Budget Reduction

General	Expenditures	0	(1,100)	(1,054)	(1,054)
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This item would reduce overall agency operations by 4 percent. Operational cost savings would be realized through staffing reductions, restructuring, or the possible elimination of certain internal services. This change does not include funding for grants or payments to individuals.

Health Dept Total Net Change:	General	0	(2,525)	(2,479)	(2,479)
Health Dept Total Net Change:	Other	0	(26)	63	63

Human Services Dept

Assignment of Child Support Arrears

General	Expenditures	0	0	104	138
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This proposal would implement the required federal Deficit Reduction Act change of discontinuing assignment of pre-assistance arrears in new Minnesota Family Investment Program (MFIP) cases and the optional change of discontinuing assignment of these arrears in existing MFIP cases.

Medical Assistance Cost Sharing Limits

General	Expenditures	0	18	55	60
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This proposal limits Medical Assistance co-payments to 5% of family income for individuals with incomes at or below 100% of the federal poverty guidelines to comply with federal law.

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Health and Human Services

Human Services Dept

MA Payments to Public Providers

General	Expenditures	0	0	0	0
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This proposal would implement federal regulations effective May 25, 2008. This regulation was originally published on January 18, 2007, but was delayed by Congress. This would impact MA payments to public programs to the degree those payments exceed costs (including hospitals, home health agencies, ICF/MRs, day training, or others that are owned or operated by cities, counties, or the state.)

MA TCM Compliance/Relocation Services

General	Expenditures	0	(18)	(9)	1
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This proposal aligns state law with updated federal regulations for targeted case management (TCM). It changes the number of days a person can receive TCM services, from 180 to 60, to comply with federal requirements.

Repeal 2003 NF Rate IGT/Add On

General	Revenues	2,306	2,295	2,283	2,271
General	Expenditures	2,306	2,295	2,283	2,271

This technical proposal would repeal the 2003 county-owned nursing home payment adjustment and the 2003 intergovernmental transfer from certain counties. This financing mechanism was disallowed by the federal government.

Long-term Homelessness Rider Fix

General	Expenditures	0	0	0	0
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This proposal would amend rider language for Long-term Homelessness grants to allow a \$2 million appropriation in FY 2008 to be spent in either year of the FY 2008-09 biennium.

MFIP Work Bonus/Food Sup Simplification

General	Expenditures	0	0	(592)	(1,591)
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This proposal would delay the implementation of the \$75 cash work bonus and change the bonus to a \$75 food bonus. The food bonus would be implemented in March 2010. Conversion of the cash bonus to a food bonus would provide families with the full value of the bonus, reduce risk to our Food Support waiver and reduce administrative complexity.

Centers of Excellence/Experience

General	Expenditures	0	0	0	0
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This proposal would give specific direction to the Health Services Advisory Council to advise the Department in developing criteria for Centers of Excellence/Experience. The Department would have authority to designate Centers of Excellence/Experience and to make fee-for-service reimbursement conditional on meeting these criteria.

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<u>Health and Human Services</u>					
Human Services Dept					
Long Term Care Partnership Changes					
General	Expenditures	0	4	34	88
<p>This proposal eliminates the requirement that individuals with LTC Partnership insurance exhaust the benefits of their policy before being permitted to designate assets to be disregarded for MA eligibility and excluded from MA estate recovery. Individuals will be permitted to designate assets in an amount equal to the amount of benefits they have received under LTC Partnership insurance at the time of the designation. Individuals with Partnership policies who qualify for and enroll in MA long-term care before exhausting the benefits of their insurance would be permitted to protect additional assets based on the amount of insurance benefits they use while on MA.</p>					
American Indian Youth Treatment					
General	Expenditures	0	2,000	0	0
<p>This item establishes a competitive grant to assist Tribes in purchasing appropriate property and in developing a culturally specific treatment program for chemical dependency.</p>					
Operating Budget Reduction					
General	Expenditures	0	(3,520)	(3,506)	(3,505)
<p>This would reduce the agency's estimated general fund operating budget by 4 percent (\$5.8 million) beginning in FY 2009. An estimated 39 full-time equivalent positions would be eliminated and other operating expenses would be reduced. The Department would focus these reductions in areas less likely to have a direct impact on core client services or the Department's ability to meet legal or financial obligations. Savings are offset by a loss of administrative federal earnings.</p>					
Account Elimination					
General	Revenues	975	0	0	0
Special Revenue	Expenditures	975	0	0	0
<p>This proposal would eliminate the special revenue account for MinnesotaCare Outreach Grants that were discontinued in the 2005 session and would transfer the remaining balance to the general fund.</p>					
CD Treatment Fund Transfer					
General	Revenues	2,500	0	0	0
Special Revenue	Expenditures	2,500	0	0	0
<p>This proposal would transfer \$2.5 million from the Consolidated Chemical Dependency Treatment Fund to the general fund at the end of FY 2008.</p>					
SOS - Past Due Collections from Counties					
General	Revenues	0	2,200	0	0
<p>This proposal would allow the Department to withhold county federal administrative earnings when county receivables for State Operated Services (SOS) are over 90 days past due.</p>					

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Health and Human Services

Human Services Dept

County Waiver Overpayment Collection

General	Revenues	0	4,229	0	0
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This proposal would require counties to reimburse the state for overspending in the Developmental Disabled Waiver program in 2004 and 2005. Legislation in 2007 forgave county debt; this item would restore the repayment requirement.

AA/RCA Forecast Change for FY 2008-09

General	Expenditures	(311)	(686)	0	0
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This proposal would align funding for the Adoption Assistance and Relative Custody Assistance programs to the most recent caseload estimates in the current biennium.

Refinance TANF

Federal TANF	Expenditures	52,700	38,818	11,779	2,945
General	Expenditures	(52,700)	(38,818)	(11,779)	(2,945)

This proposal refinances general fund spending with Temporary Assistance for Needy Families (TANF) funds to achieve general fund savings in FY 2008-09. The refinancing adjustments include the claiming of state funds as excess Maintenance of Effort (MOE) to reduce the risk of work participation rate penalties and state spending. These funding changes would not affect client eligibility or benefits.

Fund Transitional MnCare from HCAF

General	Expenditures	0	(47,793)	(49,863)	(51,018)
Health Care Access	Expenditures	0	47,793	49,863	51,018

Transitional MinnesotaCare enrollees receive one to three months of General Assistance Medical Care (GAMC) coverage on a fee-for-service basis prior to enrolling in a MinnesotaCare managed care plan. This proposal would shift funding for the GAMC months of coverage from the general fund to the health care access fund.

Restructure HIV Grants

General	Expenditures	0	(2,394)	2,394	0
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This proposal funds HIV grants in FY 2009 using accumulated HIV drug rebate revenue. Additional funding is added in FY 2010-11 to replace the rebate resources used in FY 2009.

Restructure Methamphetamine Funding

General	Expenditures	(225)	(150)	0	0
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This initiative would eliminate funding for the methamphetamine information center in Willmar. In FY 2008-09, some of these funds would be reallocated for additional methamphetamine treatment grants, and in FY 2010-11, the funding would be fully reallocated for treatment.

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Health and Human Services

Human Services Dept

County Grant Payment

General	Expenditures	0	(7,769)	0	0
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This proposal would delay second quarter payments to counties from May to July for specific adult mental health grants, children mental health screening grants, semi-independent living skills grants, and family support grants. Calendar year allocations to counties for these grants would not be impacted.

MA Inpatient Hospital Payment Delay

General	Expenditures	(14,028)	3,968	10,060	0
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This proposal replaces the current law fix dollar delay with a one-month payment delay for inpatient hospital services. Payments due in June 2008 would be made in July 2008 and payments due in June 2009 would be made in July 2009.

Increase Managed Care Withhold

General	Expenditures	0	(9,094)	(22,622)	(6,310)
Health Care Access	Expenditures	0	(3,292)	(9,094)	(1,832)

This proposal would increase the monthly managed care withhold from 5% to 7%. The managed care withhold delays monthly payments from 6 to 18 months.

Delay Inpatient Hospital Rebasing

General	Expenditures	0	(8,770)	(27,843)	0
Health Care Access	Expenditures	0	(958)	(2,928)	0

Under current law, inpatient hospital rates for Medical Assistance and General Assistance Medical Care programs will be updated to reflect 2004 hospital data in January 2009. This proposal would delay the rebasing until January of 2010.

Increase NF Rates, Eliminate Rebasing

General	Expenditures	0	(5,341)	(2,748)	(288)
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This proposal repeals legislation passed in the 2007 session that phases in the rebasing of nursing facility rates to reflect actual costs beginning October 1, 2008. The proposal would also increase nursing facility rates by up to 2.7 percent effective October 1, 2009. All nursing facilities would receive an increase of 1.5 percent; an additional increase of up to 1.2 percent would be awarded to facilities based on quality measures.

Delay Long Term Care COLA until FY 2010

General	Expenditures	0	(26,470)	(6,848)	0
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This proposal would delay a 2% rate increase for all long-term care providers, excluding nursing facilities, from July 1, 2008 to July 1, 2009.

Reduce Pharmacy Rates

General	Expenditures	0	(2,574)	(3,162)	(3,536)
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This would reduce fee-for-service pharmacy reimbursement rates from average wholesale price (AWP) less 12 percent to AWP less 14 percent.

Governor's 2008 Supplemental Budget
All Funds by Omnibus Bill and Agency
(\$ in Thousands)

	FY 2008	FY 2009	FY 2010	FY 2011
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Health and Human Services

Human Services Dept

Freeze CD Treatment Rates

General	Expenditures	0	(1,503)	(1,489)	(1,086)
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This item would freeze the rates paid to chemical dependency treatment providers for one year, from July 2008 to June 2009.

Inpatient Hospital Supplemental Payments

General	Expenditures	(17,985)	(15,565)	(12,491)	(11,810)
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This proposal would eliminate quarterly payments for inpatient hospital admissions occurring on or after July 1, 2008 under the Medical Assistance program. Rate adjustments within the supplemental payments for Bethesda and Gillette Children's Hospitals would be retained beginning in FY 2009.

Freeze MnDHO LTC Services

General	Expenditures	0	(412)	(1,444)	(2,684)
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This proposal would freeze enrollment in the Minnesota Disability Health Options (MnDHO) program for payment of waiver services for three years. Individuals who would otherwise receive waiver services under MnDHO would remain eligible to receive long-term care services under the fee-for-service Medical Assistance program.

Eliminate Transitional MA

General	Expenditures	0	(3,657)	(8,642)	(9,575)
Health Care Access	Expenditures	0	(1,057)	(12,707)	(23,028)

This would not implement the 2007 session provision to provide two additional months of Medical Assistance eligibility for children who become ineligible for traditional MA due to income and gives automatic MinnesotaCare eligibility until their next renewal. This results in an average of nearly 20,000 fewer children enrolled in each month of FY 2011 than is currently projected.

Eliminate Outreach Grants

General	Expenditures	(120)	(5,018)	(14,833)	(14,745)
Health Care Access	Expenditures	0	(6,269)	(12,959)	(13,021)

This proposal would eliminate the health care eligibility outreach grant program enacted in the 2007 session. This program has not been implemented yet, so while the change would reduce enrollment growth in the future, it would not impact individuals who are currently enrolled in Medical Assistance or MinnesotaCare programs.

Repeal Scheduled MnCare Expansion

Health Care Access	Expenditures	0	0	(1,099)	(4,141)
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This item would repeal the eligibility expansion for MinnesotaCare adults without children from 200 percent of the federal poverty guidelines (FPG) to 215 percent FPG scheduled for July 1, 2009. This proposal limits future growth in the program but does not impact currently enrolled individuals.

Governor's 2008 Supplemental Budget
All Funds by Omnibus Bill and Agency
(\$ in Thousands)

FY 2008 FY 2009 FY 2010 FY 2011

Health and Human Services

Human Services Dept

Manage HCBS Waiver Growth

General	Expenditures	0	(4,946)	(11,595)	(12,774)
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For FY 2009-2011, this proposal would limit growth in the Community Alternatives for Disabled Individuals (CADI) waiver to 1,500 diversions per year, and limit growth in the Traumatic Brain Injury (TBI) to 200 diversions per year. Individuals otherwise eligible for these waivers would remain eligible for Medical Assistance services. Additional housing supports would also be established through community grants.

HCAF Transfer

General	Revenues	0	250,000	0	0
Health Care Access	Expenditures	0	250,000	0	0

This proposal transfers \$250 million from the health care access fund to the general fund in FY 2009.

Human Services Dept Total Net Change:	General	(88,844)	(434,937)	(166,819)	(121,580)
Human Services Dept Total Net Change:	Other	56,175	325,035	22,855	11,941

Marriage & Family Therapy Bd

Rule Making Costs

State Government Special Rev	Expenditures	14	0	0	0
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This is a one-time appropriation from the state government special revenue fund to cover required rule changes. Funding would cover additional staff time, publications and printing costs, and the cost of a probable public hearing on the proposed rules.

Marriage & Family Therapy Bd Total Net Change:	Other	14	0	0	0
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Nursing Home Admin Board

Funding of Health Boards Contested Cases

State Government Special Rev	Expenditures	100	200	200	200
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Several health boards have experienced an increased level of contested case hearings which are not budgeted for in their regular operating budgets. This would provide a funding source for many of those instances and would avoid requiring the boards to separately submit deficiency requests to the LAC or the legislature for these case costs where timing and amounts are not always known until they occur. The boards must recover all costs through fees.

Nursing Home Admin Board Total Net Change:	Other	100	200	200	200
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Governor's 2008 Supplemental Budget
All Funds by Omnibus Bill and Agency
(\$ in Thousands)

FY 2008 FY 2009 FY 2010 FY 2011

Health and Human Services

Veterinary Medicine Board

Legal and Contested Case Costs

State Government Special Rev	Expenditures	54	0	0	0
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This is a one-time appropriation from the state government special revenue fund to cover extraordinary legal costs of a major lawsuit and contested cases.

Veterinary Medicine Board Total Net Change:	General				
Veterinary Medicine Board Total Net Change:	Other	54	0	0	0

Governor's 2008 Supplemental Budget
All Funds by Omnibus Bill and Agency
(\$ in Thousands)

FY 2008 FY 2009 FY 2010 FY 2011

Public Safety

Corrections Dept

Reduce Reimbursements for ST Offenders

General	Expenditures	0	(2,500)	(2,500)	(2,500)
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This would reduce county reimbursements for housing short term offenders to FY 2007 levels.

Reduce Sentencing to Service

General	Expenditures	0	(600)	(600)	(600)
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This reduces Sentencing to Service activities across the state.

Corrections Dept Total Net Change:	General	0	(3,100)	(3,100)	(3,100)
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Court of Appeals

Operating Budget Reduction

General	Expenditures	0	(282)	(282)	(282)
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This would reduce the general fund appropriation for the Court of Appeals by \$282,000 per year, or by 2.7 percent, beginning in FY 2009.

Court of Appeals Total Net Change:	General	0	(282)	(282)	(282)
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District Courts

Operating Budget Reduction

General	Expenditures	0	(7,039)	(7,039)	(7,039)
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This would reduce the general fund appropriation for the District Courts by \$7.039 million per year, or by 2.8 percent, beginning in FY 2009.

District Courts Total Net Change:	General	0	(7,039)	(7,039)	(7,039)
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Human Rights Department

Operating Budget Reduction

General	Expenditures	0	(149)	(149)	(149)
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This item would reduce the general fund budget by 4 percent starting in FY 2009. Budget reductions would come from reducing positions responsible for processing human rights complaints filed with the department. Positions would be eliminated through a combination of voluntary staff departures, retirements, and layoffs, if needed.

Human Rights Department Total Net Change:	General	0	(149)	(149)	(149)
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Governor's 2008 Supplemental Budget
All Funds by Omnibus Bill and Agency
(\$ in Thousands)

FY 2008 FY 2009 FY 2010 FY 2011

Public Safety

Peace Officers Board (POST)

Correct Funding Amount

General	Revenues	0	(50)	(50)	(50)
Special Revenue	Expenditures	0	0	0	0

The 2007 Public Safety appropriations bill provided \$50,000 less than intended in FY 2009 due to a spreadsheet error. This would correct that funding level. Transfers out of the special revenue fund to the general fund are reduced, and expenditures in the special revenue fund are increased.

Peace Officers Board (POST) Total Net Change:	General	0	50	50	50
Peace Officers Board (POST) Total Net Change:	Other	0	0	0	0

Public Defense Board

Operating Budget Reduction

General	Expenditures	0	(2,781)	(2,781)	(2,781)
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This would reduce the general fund appropriation for the Public Defense Board by \$2.781 million per year beginning in FY 2009.

Public Defense Board Total Net Change:	General	0	(2,781)	(2,781)	(2,781)
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Governor's 2008 Supplemental Budget
All Funds by Omnibus Bill and Agency
(\$ in Thousands)

FY 2008 FY 2009 FY 2010 FY 2011

Public Safety

Public Safety Dept

Disaster Assistance State Match

General	Expenditures	360	0	0	0
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This proposal would provide funds to match a portion of the federal assistance local governments have been granted in response to presidential disaster declaration FEMA-1648-DR: the 2006 Red River Valley flood. A deficiency appropriation for this purpose was provided last year, but additional state funds are required to meet the match obligations that have been incurred since that time.

Crime Victims Services

General	Expenditures	0	(653)	(653)	(653)
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This would reduce grant funding for these services by \$653,000 per year beginning in FY 2009.

CriMNet Project Reductions

General	Expenditures	0	(608)	(608)	(608)
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This item would reduce the appropriation for CriMNet by \$608,000 per year beginning in FY 2009. Certain CriMNet projects may be deferred.

Financial Crimes Task Force

General	Expenditures	0	(450)	(450)	(450)
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This would reduce grants to this task force to \$300,000 per year beginning in FY 2009.

CAT/Hazmat Reimbursement Change

General	Expenditures	0	(40)	(40)	(40)
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This proposal would reduce the general fund appropriation used to reimburse local chemical assessment and HazMat teams when they respond to incidents. Local teams would continue to be reimbursed, but funding would come from billing the companies responsible for the incidents.

Public Safety Dept Total Net Change:	General	360	(1,751)	(1,751)	(1,751)
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Supreme Court

Operating Budget Reduction

General	Expenditures	0	(1,781)	(1,781)	(1,781)
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This would reduce the general fund appropriation for the Supreme Court by \$1.781 million per year, or by 3.9 percent, beginning in FY 2009.

Supreme Court Total Net Change:	General	0	(1,781)	(1,781)	(1,781)
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Governor's 2008 Supplemental Budget
All Funds by Omnibus Bill and Agency
(\$ in Thousands)

FY 2008 FY 2009 FY 2010 FY 2011

Transportation

Metropolitan Council

Metropolitan Council Transit Reduction

General	Expenditures	0	(29,931)	(3,151)	(3,151)
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This proposal would reduce the Metropolitan Council's general fund appropriation by 4 percent beginning in FY 2009. In FY 2009 only, it would also reduce the general fund appropriation by the amount the Metropolitan Council expects to receive from the regional sales tax (less the amount required to finance the Urban Partnership Agreement.) This proposal may lead to reductions in some service offerings on bus routes or fare increases.

Metropolitan Council Total Net Change:	General	0	(29,931)	(3,151)	(3,151)
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Public Safety Dept

Security Coordinator RNC

General	Expenditures	0	(28)	0	0
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This proposal would eliminate \$28,000 of the FY 2009 appropriation for this activity. Existing personnel within the Department of Public Safety will assume the duties related to the convention.

Redesign of DVS Computer Systems

Trunk Highway	Expenditures	0	12,000	12,000	12,000
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This project would replace all of the existing Driver and Vehicle Services Division's (DVS) automated support systems over the next four years and streamline related DVS business processes. Project would be funded by direct appropriation of \$12 million per year from the trunk highway fund.

Repeal Special License Surcharge

Special Revenue	Revenues	0	(4)	(4)	(4)
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This would repeal a \$5.00 surcharge that provided start-up funding for the production of new special veteran license plates. Start-up costs have been funded, so the surcharge is no longer needed. On-going costs for the new plates will be funded through the existing license plate fee.

Reinstatement Fee - Controlled Substance

Special Revenue	Revenues	0	51	51	51
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This proposal would require an individual with a controlled substance violation to pay a \$30.00 fee and to take a new license examination before a revoked driver's license could be reinstated. Other violations are treated similarly.

Public Safety Dept Total Net Change:	General	0	(28)	0	0
Public Safety Dept Total Net Change:	Other	0	11,953	11,953	11,953

Governor's 2008 Supplemental Budget
All Funds by Omnibus Bill and Agency
(\$ in Thousands)

FY 2008 FY 2009 FY 2010 FY 2011

Transportation

Transportation Dept

Greater Minnesota Transit

General	Expenditures	0	(2,452)	(752)	(752)
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This would reduce grants to Greater Minnesota transit providers by 4 percent beginning in FY 2009. In FY 2009 only, the proposal would also reduce these grants by the additional \$1.7 million appropriated by the 2008 legislature.

Federal Funds for Bridges

Trunk Highway	Expenditures	6,849	0	0	0
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This would increase the Department's Trunk Highway Fund spending authority to recognize the availability of additional federal funds for bridges appropriated by Congress in 2008. This request is not related to I-35W bridge funding.

Transportation Dept Total Net Change:	General	0	(2,452)	(752)	(752)
Transportation Dept Total Net Change:	Other	6,849	0	0	0

Governor's 2008 Supplemental Budget
All Funds by Omnibus Bill and Agency
(\$ in Thousands)

FY 2008 FY 2009 FY 2010 FY 2011

Environment, Energy & Natural Resources

Commerce Dept

Enhancing Public Bldg Energy Efficiency

State Government Special Rev	Expenditures	0	2,500	1,500	1,000
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This initiative appropriates the balance of Oil Overcharge funds (approximately \$8M) to state agencies (\$1M) and local governments (\$7M) to provide technical analysis to identify cost effective energy efficiency improvements in public buildings. Tax-exempt lease-purchase financing from the private sector will finance the projects. These loans will be repaid from energy savings.

Repeal Mutual Fund Registration Cap

General	Revenues	0	20,500	11,000	11,500
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This proposal would remove the cap on securities registration fees collected from securities companies.

Renewable Hydrogen Initiative

General	Expenditures	0	(2,600)	0	0
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This initiative cancels \$2.6 million of a \$3.25 million one-time grant appropriation from 2007 that experts believe is years away from marketable solutions. The Governor still believes that hydrogen technology may yet prove to be a major source of renewable energy, but also believes that current state resources should focus on projects that may yield benefits in the nearer term.

Insurance Fraud Prevention

General	Revenues	0	2,000	0	0
Special Revenue	Expenditures	0	2,000	0	0

This is a one-time transfer from the special revenue fund of money collected for the fraud unit. The initial start up has been slower than expected, and revenues have been collecting for two years before any expense was incurred.

Operating Budget Reduction

General	Expenditures	0	(46)	(46)	(46)
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This will reduce expenditures in the administration program and the new Office of Energy Security. These are two areas within Commerce that do not recover costs from regulated entities that reimburse the general fund.

Enable Fraud Squad to Seize Assets

General	Revenues	0	0	1	1
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This will enable the Fraud Prevention unit to retain assets they may seize during investigations. The goal of this initiative is not to generate revenue, but to increase compliance.

Commerce Dept Total Net Change:	General	0	(25,146)	(11,047)	(11,547)
Commerce Dept Total Net Change:	Other	0	4,500	1,500	1,000

Governor's 2008 Supplemental Budget
All Funds by Omnibus Bill and Agency
(\$ in Thousands)

FY 2008 FY 2009 FY 2010 FY 2011

Environment, Energy & Natural Resources

Metropolitan Council Parks

Regional Park Grants

General	Expenditures	0	(162)	(162)	(162)
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This change would reduce grants to local park operating agencies by \$162,000 per year.

Metropolitan Council Parks Total Net Change:	General	0	(162)	(162)	(162)
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Natural Resources Dept

Forest Industry Competitiveness

General	Expenditures	0	250	450	450
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This proposal is for \$250,000 in FY 2009 and \$450,000 annually thereafter for implementation of recommendations made by the Governor's Forest Products Task Force. Possible projects include funding to the University of MN for data collection and analysis by the Interagency Information Cooperative, funding the Forest Resources Council to study forest land parcelization, and developing inventories of county-administered forest lands.

Parks-Supplemental Operating Funding

Natural Resources	Expenditures	0	220	220	220
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This proposal would increase annual funding from the natural resources fund for state park operations. Funding would be used for salaries of 2 FTE for park accounting and administration and for increased park maintenance and technology changes.

ATV Trail Ops and Maintenance Funding

Natural Resources	Expenditures	0	300	300	300
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This request is for an annual increase of \$300,000 in spending from the ATV account in the natural resources fund for maintenance, monitoring and enforcement on the state's motorized vehicle trails. As a result of forest classification, an additional 585 miles of new trails will need maintenance and enforcement activity.

Fish Virus (VHS)Surveillance

Game and Fish	Expenditures	123	246	0	0
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This initiative would provide funding from the game and fish fund for fish virus monitoring; development of an internal task force to handle virus outbreaks; and implementation of control procedures on high-risk waters and fish production facilities.

Fish Health Inspection Fee

Game and Fish	Revenues	21	21	21	21
Game and Fish	Expenditures	21	21	21	21

This initiative would increase the fee charged by DNR to conduct fish health inspections for private fish hatchery operations. Current fees do not cover the costs of performing this service. Total fees would increase by \$21,000 per year.

Governor's 2008 Supplemental Budget

All Funds by Omnibus Bill and Agency

(\$ in Thousands)

FY 2008	FY 2009	FY 2010	FY 2011
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Environment, Energy & Natural Resources

Natural Resources Dept

Water Recreation Account Transfer

Natural Resources	Revenues	594	0	0	0
Natural Resources	Expenditures	594	0	0	0

This request provides legislative authority for a one-time intrafund transfer of \$594,000 from the Water Recreation Account to the invasive species account in the natural resources fund. During the 2007 legislative session, this transfer was accounted for, but no legislative language was passed to authorize it.

Administrative Penalty Order

General	Revenues	0	100	100	100
General	Expenditures	0	100	100	100

This initiative provides authority for DNR to issue administrative penalty orders for egregious and repeat violations of laws, rules, or permits governing large-volume water use. DNR is estimating \$100,000 per year in new general fund revenues. To implement the proposal, \$100,000 per year from the general fund is appropriated for staff and attorney general costs.

Water Permit Fee Increase

Natural Resources	Revenues	40	40	40	40
Natural Resources	Expenditures	40	40	40	40

This proposal provides for fee recovery of agency costs for performing environmental review of water allocation requests prior to issuing a water allocation permit. The 2007 legislature provided authority for DNR to recover reasonable costs for processing applications for water appropriation permits that exceed 100 million gallons per year, but did not specify that environmental review costs could be assessed even if a permit was not issued.

Water Assessment Reports

General	Expenditures	0	(38)	(37)	(38)
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This initiative eliminate duplicative reporting on ground water quality and availability already published by the EQB on a biennial basis. The cost savings of eliminating the reporting requirement is estimated at \$75,000 per biennium.

Lands and Minerals Reductions

General	Expenditures	0	(225)	(225)	(225)
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This proposal reduces the general fund portion of contracts for iron ore research grants by \$124,000 and minerals diversification contracts reduced by \$101,000 each year.

Waters Program Reduction

General	Expenditures	0	(150)	(150)	(150)
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This proposal reduces funding for construction of ring dikes, grants to the Red River Mgmt Board, and captures one-time savings resulting from delayed hiring for the Clean Water Legacy program (\$98,000). Base reductions for FY 2010-2011 will include limiting review of local zoning decisions, reducing the Red River Mgmt Board grant, and reducing administrative costs.

Governor's 2008 Supplemental Budget
All Funds by Omnibus Bill and Agency
(\$ in Thousands)

FY 2008 FY 2009 FY 2010 FY 2011

Environment, Energy & Natural Resources

Natural Resources Dept

Parks and Recreation Reduction

General	Expenditures	0	(450)	(450)	(450)
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This proposal reduces general fund spending on staff within the Parks and Recreation Program. DNR will begin billing all divisions within DNR for use of Parks engineering staff rather than supporting them solely with the Parks budget.

Trails and Waterways Reduction

General	Expenditures	0	(250)	(275)	(275)
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This proposal reduces lower priority trail maintenance on motorized and non-motorized trails in state forests. The Governor has recommended \$3 million for trail rehabilitation in the capital budget.

Fish and Wildlife Reductions

General	Expenditures	0	(802)	(793)	(793)
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This proposal would restructure the Fish and Wildlife Program to accomplish general fund savings, eliminate the Let's Go Fishing Grant in FY 2009, transfer operation of the MN Shooting Sport Education Center to the local community and reduce funding for native prairie wetland activities.

Ecological Services Reduction

General	Expenditures	0	(802)	(771)	(771)
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This proposal achieves general fund savings through a combination of division restructuring and reducing the amount of aquatic plant control and watercraft inspection hours for invasive species management. It also includes a one-time spending reduction of \$482,000 in the Clean Water Legacy program in FY 2009. Legacy reductions will result in slowing the development of watershed assessment tools and biological monitoring to support TMDL plans.

Enforcement Reductions

General	Expenditures	0	(160)	(150)	(150)
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This proposal would eliminate 2 FTEs and leave a third position vacant in the enforcement program. One position each in advanced hunter education and enforcement officer recruitment would be eliminated. The DNR would also hold one wetland enforcement officer position vacant.

Operations Support Reduction

General	Expenditures	0	(100)	(100)	(100)
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This proposal would eliminate 1 regional planner position and support costs in the Operations Support program. Currently DNR has one planner in each region. Planners would be shared between regions to allow continuation of efforts in all regions.

Natural Resources Dept Total Net Change:	General	0	(2,727)	(2,501)	(2,502)
Natural Resources Dept Total Net Change:	Other	123	766	520	520

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All Funds by Omnibus Bill and Agency
(\$ in Thousands)

FY 2008 FY 2009 FY 2010 FY 2011

Environment, Energy & Natural Resources

Pollution Control Agency

Hazardous Chemical Response

Environmental	Revenues	0	43	43	43
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This initiative reinstates reporting requirements eliminated by EPA rulemaking this past year. PCA would require, by state law, continued reporting of certain releases of hazardous substances and the assessment of pollution prevention fees as was done under previous EPA regulations.

Operating Reduction

General	Expenditures	0	(473)	(473)	(473)
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This proposal reduces agency operating funds in administrative areas such as communications and computer equipment purchasing. PCA proposes to reduce its publications budget through increased web-based publishing and to implement changes in replacement schedules of computer equipment.

Pollution Control Agency Total Net Change:	General	0	(473)	(473)	(473)
Pollution Control Agency Total Net Change:	Other	0	(43)	(43)	(43)

Public Utilities Comm

Telephone Assistance Plan Transfer

General	Revenues	0	4,000	0	0
Special Revenue	Expenditures	0	4,000	0	0

The TAP program revenue comes from an assessment on our monthly phone bills. The money is used to provide telephone equipment and a dedicated switchboard to assist hearing-impaired citizens communicate over the phone. This program collects about \$500,000 more each year than it spends. Carryforward has grown each of the past 8 years, and is now at \$5 million. This is a one-time transfer.

Public Utilities Comm Total Net Change:	General	0	(4,000)	0	0
Public Utilities Comm Total Net Change:	Other	0	4,000	0	0

Governor's 2008 Supplemental Budget
All Funds by Omnibus Bill and Agency
(\$ in Thousands)

FY 2008 FY 2009 FY 2010 FY 2011

Environment, Energy & Natural Resources

Water & Soil Resources Board

SE MN Flood Response Cost-Share

General	Expenditures	0	450	275	0
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This request would provide \$450,000 in FY 2009 and \$275,000 in FY 2010 to match additional federal funds for water, soil and habitat restoration in the DR-1717 flood area in SE Minnesota. Cost estimates for total flood damage continue to be refined and modified upward. Funds would provide 25%-50% match to federal funds from various federal emergency programs.

Grant Reductions

General	Expenditures	0	(300)	(300)	(300)
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This proposal reduces matching grants available to local units of government for establishing native buffers and for eradication of invasive plant species.

Staff Reductions

General	Expenditures	0	(150)	(150)	(150)
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This proposal reduces the drainage assistance program by 1.5 FTE and associated support costs for technical and legal assistance on drainage management projects. The Board was appropriated \$300,000 for 3 regional staff to assist local units of government on drainage management projects. This proposal reduces regional staff to 1.5 positions.

Water & Soil Resources Board Total Net Change	General	0	0	(175)	(450)
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Governor's 2008 Supplemental Budget
All Funds by Omnibus Bill and Agency
(\$ in Thousands)

FY 2008 FY 2009 FY 2010 FY 2011

Agriculture & Veterans

Agriculture Dept

Administrative Services costs reduced

General	Expenditures	0	(102)	(102)	(102)
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This recommendation is to reduce the Minnesota Department of Agriculture's funding for its administrative services, focusing on the areas of information technology and the Commissioner's Office.

Agriculture Dept Total Net Change:	General	0	(102)	(102)	(102)
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Animal Health Board

Bovine TB Response

General	Expenditures	472	2,252	2,252	2,252
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The Board is requesting additional resources to enable it to comply with more extensive federal testing and monitoring requirements that will be imposed on the state, now that additional cases of bovine TB have been identified in northwestern Minnesota cattle herds since 2007. Together with new federal bovine TB funds that the Board is also seeking, the new funding will provide needed resources for the Board of Animal Health to adequately respond to this disease.

Animal Health Board Total Net Change:	General	472	2,252	2,252	2,252
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Military Affairs Dept

Military Pay and Pension Subtraction

General	Revenues	0	0	(11,470)	(16,960)
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The Governor's proposal allows a subtraction from Minnesota taxable income for military income and pensions. It phases in the subtraction for military pensions and retirement payments over four years, beginning with tax year 2009.

National Guard Out-of-State Subtraction

General	Revenues	0	(530)	(130)	(140)
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Allows an income tax subtraction for income earned outside of Minnesota for National Guard training. The subtraction is retroactive to tax year 2005.

"State Navigators" at DMA

General	Expenditures	0	180	180	180
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This is the Department of Military Affairs' share of the Office of Reintegration ("State Navigator") initiative. This funding is to hire "State Navigators" -- coordinators of state agency programs and activities whose job it will be to assist soldiers and their families with reintegration and beyond. DMA's share of this announced initiative is \$180,000 per year.

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(\$ in Thousands)

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Agriculture & Veterans

Military Affairs Dept

Medic Re-Qualification Bonus

General	Expenditures	0	135	135	135
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This recommendation provides a \$1000 biannual bonus for medics who meet recertification requirements. National Guard Medics are required to qualify every 2 years to maintain their certification. The certification requirements are time consuming, extensive and difficult. The National Guard is seeing medics lose their qualification because it is challenging and time-consuming for them to complete the recertification. The bonus provides an incentive to medics to maintain both their EMT qualification and their membership in the Guard.

Employer Support of Guard & Reserve

General	Expenditures	0	75	35	35
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This effort expands a state enhancement of the Employer Support of the Guard and Reserve (ESGR) program. This program will recognize Minnesota companies that treat their employees who are spouses of deployed military members in a superior manner.

Spouse Use of Tuition Reimbursement Pgm

General	Expenditures	0	0	392	441
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This proposal expands the National Guard Tuition Reimbursement program to allow spouses to use up to 12 semester hours of the unused, earned Tuition Reimbursement benefits of their service member. This benefit is an added incentive that will help the state retain a high quality, experienced National Guard force.

Camp Ripley Land Fund

General	Revenues	0	(100)	(100)	(100)
Special Revenue	Revenues	0	100	100	100
Special Revenue	Expenditures	0	100	100	100

Establish a Camp Ripley Land Fund to manage timber and provide for increased use of the land by military forces. (DNR currently manages the timber resources at Ripley.) These monies will be used to manage the timber and reforestation/replanting on the Camp in ways that promote the military use of the land, and yet also preserve ecosystems in the Camp.

Support Our Troops Spending Cap Lifted

Special Revenue	Expenditures	100	100	100	100
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This recommendation removes the current spending cap so that all funds generated by the Support Our Troops license plates can be spent on programs for veterans and military families.

Military Affairs Dept Total Net Change:	General	0	1,020	12,442	17,991
Military Affairs Dept Total Net Change:	Other	100	100	100	100

Veterans Affairs Dept

CVSO Grant Increase

General	Expenditures	0	500	500	500
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Agriculture & Veterans

Veterans Affairs Dept

This initiative provides additional competitive grants to County Veterans Service Offices (CVSOs). These grants can be used for a variety of purposes, such as reducing homelessness, reintegrating combat veterans into the community, and emergency assistance.

CVSO Training Coordinators

General	Expenditures	0	250	250	250
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The Governor recommends funds to create new Training Coordinator positions to focus on County Veterans Services Office training, coordination and grant oversight. These positions will help create performance standards and improved accountability for the statewide system.

State Soldiers Assistance Pgm. Increase

General	Expenditures	0	2,500	2,000	2,000
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The Department of Veterans Affairs (DVA) reports significant increased demand for this longstanding program. As part of his military/veterans initiative the Governor recommends an increase of \$2.5 million in fiscal year 2009 for the program, with an ongoing permanent increase of \$2 million per year for the program.

"State Navigators" at MDVA

General	Expenditures	0	120	120	120
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This funding is to hire "State Navigators" at the Minnesota Department of Veterans Affairs. These coordinators of state agency programs and activities will assist soldiers and their families with reintegration and beyond. MDVA's share of this announced initiative is \$120,000 per year.

State Veterans Case Workers

General	Expenditures	0	500	500	500
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This funding is for state veterans case workers, who will provide comprehensive individual assistance to veterans. The case managers coordinate services for veterans, military members and their families.

LinkVET Linkage Line Funding

General	Expenditures	0	220	220	220
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This funding will allow LinkVet, a toll-free number which veterans can use to connect with veterans services officers who can help the veterans and their families with an array of services and benefits, to continue ongoing operations.

Veteran Claim Office

General	Expenditures	0	250	250	250
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The Governor recommends increased funding for outreach and training to improve services to veterans. This includes adding a female Veterans Service Officer/Coordinator position at the agency.

Governor's 2008 Supplemental Budget
All Funds by Omnibus Bill and Agency
(\$ in Thousands)

	FY 2008	FY 2009	FY 2010	FY 2011
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Agriculture & Veterans

Veterans Affairs Dept

Veterans Assistance Offices on Campus

General	Expenditures	0	715	715	715
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This funding will expand the Veterans Assistance Offices on Campus program by increasing the number of Campus Representatives statewide. A portion of this funding will be used to keep the "MyMilitaryEducation.org" website and toll-free call center operational.

TBI / PTSD Outreach and Education

General	Expenditures	0	250	0	0
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The Governor recommends one-time FY2009 funding for Traumatic Brain Injury (TBI) and Post Traumatic Stress Disorder (PTSD) outreach and education efforts to promote federal screening programs, and to conduct a follow-up study on future mental health needs of veterans with TBI or PTSD.

Veteran Affairs marketing

General	Expenditures	0	100	100	100
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This funding allows the agency to enhance its existing statewide marketing plan, in order to further raise awareness regarding benefits and services available for veterans and their families.

Minn. Assistance Council for Veterans

General	Expenditures	0	250	250	250
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This recommendation provides additional funding for the nonprofit MACV, the Minnesota Assistance Council for Veterans, which helps veterans and their families affected by homelessness.

Study Vets Homes Operations/Capacity

General	Expenditures	0	200	0	0
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This funding enables the Department of Veterans Affairs to conduct a strategic planning study of the operations and capacity of the state's network of veterans homes.

Veterans Cemetery in Northern Minnesota

General	Expenditures	0	0	325	325
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The Governor recommends additional funding be made available beginning in FY2010 for the ongoing maintenance and upkeep of a new state veteran's cemetery in the Duluth area. (Acquisition of the land and the initial development of this cemetery will be funded by the federal government.)

Support Our Troops spending cap lifted

Special Revenue	Expenditures	100	100	100	100
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This recommendation removes the current spending cap so that all funds generated by the Support Our Troops license plates can be spent on programs for veterans and military families.

Governor's 2008 Supplemental Budget

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(\$ in Thousands)

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Agriculture & Veterans

Veterans Affairs Dept

Veterans Affairs Dept Total Net Change:	General	0	5,855	5,230	5,230
Veterans Affairs Dept Total Net Change:	Other	100	100	100	100

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All Funds by Omnibus Bill and Agency
(\$ in Thousands)

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Economic Development

Boxing Board

Boxing Commission Deficiency

Special Revenue	Revenues	0	(4)	(4)	(4)
General	Expenditures	0	80	80	80

The Boxing Commission is on track to collect about \$52,000 in FY 2008, but the operating costs of the commission are higher than the current budget due to the scope of the original commission being expanded last session to include other combative sports. The combative sports industry is too small to absorb the level of fees needed to make the MBC self sufficient. This appropriation provides ongoing funding to meet the commission's statutory responsibilities. The revenue change is a net amount, reflecting both fee reductions as well as the addition of new amateur license requirements.

Boxing Board Total Net Change:	General	0	80	80	80
Boxing Board Total Net Change:	Other	0	4	4	4

Employment & Economic Dev Dept

SEED - Capital Tax Credit

General	Revenues	0	(3,000)	0	0
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This funding will stimulate the growth of emerging and developing businesses by providing tax credits to investors in regional investment funds. This will incent investors to make more investments in Minnesota and help alleviate this shortage of capital needed by our start-up and early-stage companies.

SEED - Main Street MN Revitalization

General	Expenditures	0	2,000	800	800
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This program will complement the state's Small Cities Development Program (SCDP) to help address economic development needs in rural MN with a special emphasis on downtown and commercial rehabilitation.

SEED - Capital for the Init Foundations

General	Expenditures	0	2,000	0	0
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This proposal will expand the ability of the six regional McKnight Foundations to provide loans to small businesses. Allocations of additional capital would be matched by private funds. This is a one-time appropriation and is available until spent.

SEED - Minnesota Investment Fund

General	Expenditures	0	2,000	0	0
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This additional funding for the Minnesota Investment Fund will help companies in Targeted Rural Opportunity Communities. These funds will be used to increase production, improve economic opportunities, increase research and product development, upgrade technology, and create jobs.

Governor's 2008 Supplemental Budget
All Funds by Omnibus Bill and Agency
(\$ in Thousands)

	FY 2008	FY 2009	FY 2010	FY 2011
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Economic Development

Employment & Economic Dev Dept

SEED - Rural Enterprise Loan Fund

General	Expenditures	0	1,500	0	0
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This proposal would create a revolving loan program to support micro or small businesses outside the Twin Cities area.

SEED - Job Skills Partnership

General	Expenditures	0	1,000	0	0
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This initiative reallocates existing surplus funds for the Minnesota Job Skills Partnership Board for training grants to companies located in Targeted Rural Opportunity Communities. These funds will help increase the skill and productivity of incumbent employees, and improve their job security.

SEED - Workforce Entrepreneur Network

General	Expenditures	0	600	400	400
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The proposed Office of Entrepreneurship would share information about small business services, policy, and strategy, that will develop entrepreneurs and small businesses. It will help WorkForce Center customers interested in self-employment or business ownership assess their entrepreneurial capabilities and the feasibility of their business ideas before investing time or personal wealth into a business venture.

SEED - Small Business Dev Center Network

General	Expenditures	0	550	500	500
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The Small Business Development Center (SBDC) delivers no-cost consulting services to entrepreneurs and small business owners. These services give businesses a better chance of long-term success through greater access to capital and improved competitiveness. Under this proposal, the SBDC will offer expanded opportunities to help grow more businesses.

SEED - Community Leadership & Planning

General	Expenditures	0	500	400	400
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DEED is proposing a new program to assist communities by paying 50% of the costs to develop community plans and to provide scholarships to finance the cost of improved rural community leadership. Funds would be channeled through existing organizations selected through an RFP process.

SEED - Small Business Product Dev Grants

General	Expenditures	0	500	500	500
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This program will provide matching grants to entrepreneurs to access resources at qualified research and education institutions, to help them obtain financing to demonstrate the feasibility of technology, or complete new product development.

SEED - Assist Entrepreneurs -SBIR

General	Expenditures	0	400	400	400
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The proposed new Office of Technology and Commercialization (OTC) will provide entrepreneurial and innovation services to strengthen and expand the competitiveness of small, high technology research and development businesses.

Governor's 2008 Supplemental Budget
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(\$ in Thousands)

	FY 2008	FY 2009	FY 2010	FY 2011
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Economic Development

Employment & Economic Dev Dept

SEED - Manufacturing Extension Grants

General	Expenditures	0	350	0	0
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This initiative provides one-time funding for the continuation of the Growth Acceleration Program (GAP) concept. GAP is intended to provide assistance to eligible manufacturing companies to help them implement technology and business improvements and control standard market pricing for technology and business improvements.

SEED - Update JOBZ Program

General	Revenues	0	(300)	(900)	(1,800)
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This initiative updates the duration of JOBZ zones to allow this program to continue for Greater Minnesota.

SEED - Labor Market Info Enhancements

General	Expenditures	0	150	0	0
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This initiative would provide more accessible Labor Market Information for rural areas. The department would conduct business surveys to determine benefit and vacancy levels on an occupational and regional basis. Funds would also be used to improve the accessibility of economic and labor market information data collected by DEED.

SEED - Web-based Marketing System

General	Expenditures	0	150	0	0
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This would update a 15-year old web-based database of communities, property, and buildings information. Funds will also add a geographic information system component that is the emerging national standard.

SEED - Marketing Rural Minnesota

General	Expenditures	0	100	0	0
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Working through the Positively Minnesota partnership, DEED will market the state outside Minnesota at trade shows, special events, and other locations to showcase rural Minnesota's strengths to grow additional businesses and jobs.

SEED - Trade Office Export Education

General	Expenditures	0	100	0	0
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This initiative would help rural businesses participate in international trade workshops conducted by the Minnesota Trade Office and gain an understanding of international trade opportunities.

Veteran's Business Assistance Program

General	Expenditures	0	1,000	1,000	1,000
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This recommendation provides \$1 million annually for grants to qualifying small businesses that have sustained economic injury because an owner or essential employee has been called to active duty.

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(\$ in Thousands)

	FY 2008	FY 2009	FY 2010	FY 2011
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Economic Development

Employment & Economic Dev Dept

Hiring/Training Incentive for Veterans

Workforce Development	Expenditures	0	1,000	1,000	1,000
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This proposal provides hiring and training incentives for businesses that employ veterans. It would allow reimbursement of up to 50 percent of the first \$10,000 in salary or training expenses a business spends for on-the-job training of qualified veterans. Minnesota reserve and guard members would be eligible.

Workforce Development Fund Transfer

General	Revenues	0	8,000	0	0
Workforce Development	Expenditures	0	8,000	0	0

The Workforce Development Fund (WDF) has an accumulated balance of \$16 million. This initiative transfers half of that balance to the general fund to help with the budget deficit.

21st Century Fund

General	Revenues	0	2,000	0	0
Special Revenue	Expenditures	0	2,000	0	0

This is a one-time transfer from the special revenue fund. There is currently \$40 million in the fund, of which \$11 million is dedicated to the MN Steel project, \$14.9 million is dedicated to MN Steel infrastructure, and \$10 million is for Steel Dynamics (Mesabi Nugget). This recommendation uses 50 percent of the unpledged balance.

Job Skills Partnership

General	Expenditures	0	(2,000)	0	0
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Unlike most general fund appropriations, money appropriated to the Job Skills Partnership program does not cancel at the end of the biennium. Over the past few years, a balance of roughly \$4 million has accumulated in the account. This proposal reallocates \$1 million for use in Targeted Rural Opportunity Communities component of the Governor's SEED initiative and cancels \$1 million of the appropriation back to the fund level so it is available to assist in reducing the project deficit. This is a one-time action.

Foreign Trade Zone Authority

General	Expenditures	0	(608)	0	0
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This initiative cancels a 2005 appropriation to build a trade zone and a large depot, that a subsequent study concluded wasn't feasible.

Extended Employment Grants

General	Expenditures	0	(280)	(280)	(280)
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This reduces a 2007 general fund appropriation for extended employment services for persons with severe disabilities by \$155,000 because the utilization rate of these services has been lower than anticipated. The reduction also includes \$125,000 per year for wage incentive funding. Both reductions are believed to be sustainable.

Governor's 2008 Supplemental Budget
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Economic Development

Employment & Economic Dev Dept

Methamphetamine Lab Cleanup

General	Expenditures	0	(150)	0	0
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Because of the dramatic success of the current law restricting sales of pseudoephedrine (a principle ingredient in methamphetamine), the demand for loans to rehabilitate meth-lab properties has fallen to zero. Accordingly, these funds are no longer needed and can be returned to the general fund to help address the projected deficit.

Employment & Economic Dev Dept Total Net Change:	General	0	3,162	4,620	5,520
Employment & Economic Dev Dept Total Net Change:	Other	0	11,000	1,000	1,000

Historical Society

MN Sesquicentennial Comm. & Celebration

General	Expenditures	175	825	0	0
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This recommendation provides a \$1 million one-time appropriation to cover additional program activity and operations costs related to the state's 150 year anniversary celebration. The \$175 thousand shown in FY 2008 is being carried in the deficiency bill which is for staffing and administration.

Historical Society Total Net Change:	General	175	825	0	0
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Housing Finance Agency

Supportive Housing Debt Service

General	Expenditures	0	0	2,400	2,400
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This provide an ongoing general fund appropriation to pay the debt service costs on up to \$30 million in new HFA bond sold by MHFA. This will allow MHFA to participate in a wider variety of housing programs than state GO bonds permit, and will actually speed development and lower the cost of some of projects at no additional cost to the general fund. The bond funds will be used to construct, acquire, and rehabilitate at least 250 units of permanent supportive housing for families with children and individuals who experience long-term homelessness or are at risk of becoming long-term homeless.

Housing Finance Agency Total Net Change:	General	0	0	2,400	2,400
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Governor's 2008 Supplemental Budget
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(\$ in Thousands)

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Economic Development

Labor and Industry Dept

Labor Standards Unit Operating Reduction

General	Expenditures	0	(43)	(43)	(43)
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This is a 4 percent reduction to the Labor Standards Unit operating budget starting in FY 2009. The reduction would be permanent.

Boiler Operator Licensing Requirements

State Government Special Rev	Revenues	0	5	0	0
State Government Special Rev	Expenditures	0	5	0	0

The state currently has a shortage of licensed first class boiler operators. This initiative would provide a temporary increase in the number of applicants taking the examination to become first class operators. The costs of providing the examinations would be offset by the license fees paid by the applicant.

Labor and Industry Dept Total Net Change:	General	0	(43)	(43)	(43)
Labor and Industry Dept Total Net Change:	Other	0	0	0	0

Mediation Services Bureau

Operating Budget Reduction

General	Expenditures	0	(69)	(69)	(69)
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This is a 4 percent reduction to the agency's operating budget. The agency would achieve this reduction by reducing rental costs and holding vacant positions open.

Mediation Services Bureau Total Net Change:	General	0	(69)	(69)	(69)
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Governor's 2008 Supplemental Budget
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(\$ in Thousands)

FY 2008 FY 2009 FY 2010 FY 2011

State Government

Administration Dept

Preference for Veteran-Owned Businesses

General	Expenditures	0	185	171	88
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This initiative would make small veteran-owned businesses eligible for bid preferences when competing for state contracts. Minnesota law currently allows for such preferences for businesses owned by women, minorities and persons with disabilities. Funding would provide for two FTEs for two years in order to establish and implement the preference program and one FTE thereafter to operate the program on an ongoing basis.

Operating Budget Reduction

General	Expenditures	0	(469)	(469)	(469)
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This proposal reduces the Department of Administration operating budget by 4 percent beginning in FY 2009. The reductions would result in a decrease in the services Administration provides to state agencies, limiting the resources available to support statewide programs such as energy management, land management, demographic analysis, environmental issues and administrative management programs. These reductions would necessitate layoffs.

Eliminate DPS Relocation Funding

General	Expenditures	0	(885)	0	0
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This funding was appropriated in the 2007 legislative session to be used for the Department of Public Safety relocation in FY 2008. This proposal eliminates this funding, as there are no plans at this time for relocation within the current biennium. The Governor's bonding proposal included \$500,000 to undertake pre-design for a new emergency management center.

Administration Dept Total Net Change:	General	0	(1,169)	(298)	(381)
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Amateur Sports Comm

Eliminate Target Center Payments

General	Expenditures	0	(750)	(750)	(750)
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This recommendation eliminates annual payments to the City of Minneapolis to support the Target Center. The \$750,000 per year standing appropriation in M.S. 204A.08 would be repealed starting in FY 2009.

Amateur Sports Comm Total Net Change:	General	0	(750)	(750)	(750)
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Attorney General

Operating Budget Reduction

General	Expenditures	0	(999)	(999)	(999)
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This proposal would reduce the direct appropriated general fund budget for the Attorney General's Office by 4 percent beginning in FY 2009. The Governor respects the authority for constitutional officers to present their budgets independently. However, the Governor recommends this reduction in order to submit a balanced budget as required by law.

Attorney General Total Net Change:	General	0	(999)	(999)	(999)
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Governor's 2008 Supplemental Budget
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(\$ in Thousands)

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State Government

Enterprise Technology Office

Operating Budget Reduction

General	Expenditures	0	(313)	(253)	(253)
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This recommendation would reduce the general fund budget for OET by 4 percent starting in FY 2009. The reduction would scale back the new IT security program and reduce capacity for statewide oversight and analysis of technology investments.

Enterprise Technology Office Total Net Change:	General	0	(313)	(253)	(253)
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Finance Dept

Operating Budget Reduction

General	Expenditures	0	(842)	(842)	(842)
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This item would reduce the general fund budget for the merged agencies of Finance and Employee Relations by 4 percent starting in FY 2009. Budget reductions would come from permanently eliminating positions that are responsible for managing state financial and human resources. Positions would be eliminated through a combination of voluntary staff departures for other employment, retirements, and layoffs if needed.

Finance Dept Total Net Change:	General	0	(842)	(842)	(842)
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Finance Non-Operating

35W Bridge Collapse Victim Compensation

General	Expenditures	0	20,000	0	0
Trunk Highway	Expenditures	0	20,000	0	0

Provides \$40 million for an alternative compensation process for victims of the I-35W bridge collapse. Half of the proposed funding would come from the General Fund and the other half would come from the Trunk Highway Fund.

Convention Guarantee

General	Revenues	0	14,000	0	0
General	Expenditures	0	14,000	0	0

Sets aside \$14 million in FY 2009 to guarantee costs associated with the Republican National Convention. If fundraising prior to the convention is insufficient to cover costs, state funds would be spent in FY 2009 and repaid within the same fiscal year.

Budget Reserve Transfer

General	Revenues	0	250,000	0	0
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Reduces the budget reserve account in M.S. 16A.152 by \$250 million in FY 2009, leaving \$403 million in the account.

Finance Non-Operating Total Net Change:	General	0	(230,000)	0	0
Finance Non-Operating Total Net Change:	Other	0	20,000	0	0

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(\$ in Thousands)

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State Government

Governors Office

Operating Budget Reduction

General	Expenditures	0	(151)	(151)	(151)
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This proposal would reduce the direct appropriated general fund budget for the Governor's Office by 4 percent beginning in FY 2009.

Governors Office Total Net Change:	General	0	(151)	(151)	(151)
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Legislature

Operating Budget Reduction

General	Expenditures	0	(2,855)	(2,833)	(2,833)
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This proposal would reduce the direct appropriated general fund budget for the Legislature by 4 percent beginning in FY 2009. The Governor respects the authority for separate branches of government to present their budgets independently. However, the Governor recommends this reduction in order to submit a balanced budget as required by law.

Carry Forward Balances Reduction

General	Expenditures	0	(4,000)	0	0
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This recommendation would reduce the balances previously carried forward by the Legislature under M.S. 16A.281. Under this proposal, the divisions of the Legislature would make a one-time transfer of \$4 million to the general fund in FY 2009. The Governor respects the authority for separate branches of government to present their budgets independently. However, the Governor recommends this reduction in order to submit a balanced budget as required by law.

Legislature Total Net Change:	General	0	(6,855)	(2,833)	(2,833)
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Racing Commission

Rulemaking on Medication Thresholds

Special Revenue	Expenditures	0	0	0	0
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Cost of rulemaking required by a change in statutes governing pari-mutuel racing. The statutory change allows the Commission to set threshold levels of medications or environmental contaminants that may be present in the blood or urine of a horse engaged in pari-mutuel racing. The Commission budget can absorb the additional rulemaking cost, expected to be a few thousand dollars per year.

Racing Commission Total Net Change:	Other	0	0	0	0
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Governor's 2008 Supplemental Budget
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(\$ in Thousands)

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State Government

Revenue Dept

Dept. of Revenue Operating Reduction

General	Expenditures	0	(1,240)	(1,240)	(1,240)
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This proposal reduces the non-compliance portion of the Department of Revenue's general fund operating budget by 3 percent beginning in FY 2009. The budget reduction would limit employee development and travel, along with eliminating some internal service positions.

Revenue Dept Total Net Change:	General	0	(1,240)	(1,240)	(1,240)
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Secretary of State

Operating Budget Reduction

General	Expenditures	0	(260)	(253)	(260)
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This proposal would reduce the direct appropriated general fund budget for the Secretary of State's Office by 4 percent beginning in FY 2009. The Governor respects the authority for constitutional officers to present their budgets independently. However, the Governor recommends this reduction in order to submit a balanced budget as required by law.

Secretary of State Total Net Change:	General	0	(260)	(253)	(260)
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State Auditor

Operating Budget Reduction

General	Expenditures	0	(369)	(369)	(369)
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This proposal would reduce the direct appropriated general fund budget for the State Auditor's Office by 4 percent beginning in FY 2009. The Governor respects the authority for constitutional officers to present their budgets independently. However, the Governor recommends this reduction in order to submit a balanced budget as required by law.

State Auditor Total Net Change:	General	0	(369)	(369)	(369)
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Governor's 2008 Supplemental Budget
All Funds by Omnibus Bill and Agency
(\$ in Thousands)

FY 2008 FY 2009 FY 2010 FY 2011

Capital Budget & Debt Service

Capital Projects

Governor Capital Recs: Debt Service

General	Expenditures	0	1,691	6,469	24,604
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This item reflects the additional cost to the general fund of the Governor's revised 2008 capital budget recommendations. This calculation is based on the February 2008 forecast. The Governor's revised capital budget recommends \$825 million in GO bonding, while the Department of Finance forecast assumes a capital budget of \$645 million for 2008. The difference is reflected as new spending.

Governor Capital Recs: General Fund Cash

General	Expenditures	6,720	0	0	0
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The Governor's 2008 capital budget released in January included \$16.223 million of general fund cash for recommended projects. As part of the transportation bill, the Met Council was given a different source of funds for its cash portion of the UPA. Estimated costs for MnDOT's cash portion of the UPA have also been reduced. Therefore, the current revised recommendation is \$6.72 million.

Capital Projects Total Net Change:	General	6,720	1,691	6,469	24,604
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